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10 Attorneys for Plaintiff
11 UNION SECURITY INSURANCE COMPANY

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

18 UNION SECURITY INSURANCE COMPAY, } Case No. C06-06905 JW (RS)
19 Plaintiff, }
20 vs. }
21 DAWN MICHELLE PETITCLERC; } STIPULATION AND [PROPOSED]
22 TARA PETITCLERC; and DEBRA } ORDER RE DISCHARGE OF
23 CLASEN, } PLAINTIFF UNION SECURITY
24 Defendants. } INSURANCE COMPANY AND FOR
25 REIMBURSEMENT OF ATTORNEYS
26 FEES

27 Plaintiff in Interpleader UNION SECURITY INSURANCE COMPANY
28 (hereinafter referred to as "USIC"), formerly known as FORTIS BENEFITS
INSURANCE COMPANY, by and through its counsel of record, Meserve, Mumper
& Hughes LLP, defendants DAWN PETITCLERC and TARA PETITCLERC
(hereinafter collectively referred to as "the Petitclercs"), by and through their
counsel of record, Ferrari Ottobani, LLP, and defendant DEBRA CLASEN
("Clasen"), by and through her counsel of record, Kelly Jackson & Christianson,
LLP (hereinafter collectively referred to as the "Parties"), hereby stipulate to the
following:

27 1. In dispute are the life insurance proceeds payable under a group life
28 insurance policy, number 4046857 ("the Policy"), issued to Triformix, Inc.

1 ("Triformix"), the employer of Darwin Petitclerc, the individual whose death gave
 2 rise to the death benefits at issue in this action. Darwin Petitclerc is the father of
 3 Dawn Petitclerc and Tara Petitclerc.

4 2. Darwin Petitclerc died on July 9, 2006. On or about July 26, 2006,
 5 Dawn Petitclerc submitted a letter to USIC indicating that her father was unmarried,
 6 and that she and her sister, Tara Petitclerc, were his sole heirs.

7 3. On or about August 14, 2006, USIC received, among other things, a
 8 letter from Clasen's Texas attorney, Eustorgio Perez, stating that Clasen was the
 9 "wife" of Darwin Petitclerc and the sole beneficiary under the Policy.

10 4. On or about September 5, 2006, USIC received a Claimant Statement
 11 dated September 2, 2006, from or on behalf of Darwin Petitclerc's "wife/spouse,"
 12 Clasen. In the Claimant Statement, Clasen requested all of the proceeds of the
 13 Policy.

14 5. On or about September 11, 2006, USIC received several documents
 15 from or on behalf of the Petitclercs. Among those documents included Claimant
 16 Statements from the Petitclercs, dated September 2, 2006, requesting all the
 17 proceeds of the Policy. In addition, on or about September 11, 2006, USIC also
 18 received several letters from Darwin Petitclerc's family members contesting
 19 Clasen's contention that she was Darwin Petitclerc's wife or spouse.

20 6. USIC's investigation into the parties' competing claims to the Policy's
 21 proceeds resulted in the receipt of letters and documents supporting both the
 22 Petitclercs' and Clasen's (collectively referred to as the "Defendants") entitlement to
 23 the proceeds of the Policy. Specifically Clasen contends to be the lawful spouse on
 24 the one hand, and the Petitclercs contend to be the living children and sole heirs on
 25 the other hand.

26 7. USIC admits that there are proceeds payable under the Policy in the
 27 amount of \$374,144.86, which includes interest from the date of Darwin Petitclerc's
 28 death through November 6, 2006 (when the funds were deposited with this Court).

1 USIC claims no beneficial interest in the proceeds due, as it is a mere stakeholder
 2 with respect to the proceeds owing under the Policy. USIC is at all times, has been,
 3 and is now ready, willing and able to pay the sum due under the Policy to the
 4 person(s) legally entitled thereto.

5 8. As a result of the conflicting claims of the Defendants, on November 6,
 6 2006, USIC filed a Complaint in Interpleader in this United States District Court for
 7 the Northern District of California. On November 6, 2006, USIC also deposited
 8 \$374,144.86 with the Clerk of this Court representing the life insurance proceeds
 9 payable under the Policy with interest. In depositing these proceeds with this Court,
 10 USIC requested that the deposited funds be placed in an insured interest bearing
 11 account.

12 9. USIC brought this Complaint in Interpleader in good faith and without
 13 collusion with any of the Defendants.

14 10. Clasen was served with a Waiver of Service of the Summons, through
 15 her Texas counsel, Eustorgio Perez, on November 21, 2006, which was executed
 16 and returned on December 28, 2006. Dawn Petitclerc was served with the
 17 Summons and Complaint on December 6, 2006. Tara Petitclerc was served with the
 18 Summons and Complaint on November 25, 2006. Pursuant to a Stipulation to
 19 Extend the Time to Respond to the Complaint, the Petitclercs' response to the
 20 Complaint is due on February 5, 2007. Pursuant to a Stipulation to Extend the Time
 21 to Respond to the Complaint, Clasen's response to the Complaint is also due on
 22 February 5, 2007.

23 11. The Parties involved in this action recently reached a settlement
 24 agreement regarding USIC's release, discharge and recovery of attorneys' fees
 25 associated with this action and the subject life insurance proceeds interplead and
 26 deposited with this Court. Pursuant to that agreement, the parties respectfully
 27 stipulate and request that this Court order the immediate release and disbursement of
 28 certain of the interplead funds, and order that the Clerk promptly remit to counsel

1 for USIC, Meserve, Mumper & Hughes LLP; one (1) check draft made payable as
 2 follows:

3 a. Four thousand five hundred dollars (\$4,500.00) of the
 4 interplead funds shall be made payable to "Union
 5 Security Insurance Company" for attorneys' fees incurred
 6 by USIC in this action.

7 12. It is further stipulated that USIC and its owners, shareholders, partners,
 8 officers, directors, employees, agents, general agents, legal representatives,
 9 predecessors, successors, assignees, parent corporations, subsidiaries, affiliates,
 10 attorneys, re-insurers, and insurers are released and discharged from any and all
 11 further liability to each of the Defendants in this action, and any other persons or
 12 entities whether claiming by, through, or under any of said individuals, in any way
 13 arising out of or in any way connected with the Policy, the proceeds payable under
 14 the Policy, this interpleader action, and the facts set forth herein. A dismissal and
 15 discharge of USIC will allow the Defendants in interpleader to litigate and/or
 16 otherwise resolve their respective entitlements to the proceeds on deposit with this
 17 Court. USIC will be bound to comply with any validly served, enforceable
 18 subpoena, independent of this release.

19 13. It is further stipulated that each and every Defendant is
 20 enjoined and restrained from instituting, prosecuting or taking any further
 21 steps, actions or proceedings against USIC and/or its owners, shareholders,
 22 partners, officers, directors, employees, agents, general agents, legal
 23 representatives, predecessors, successors, assignees, parent corporations,
 24 subsidiaries, affiliates, attorneys, re-insurers, and insurers in any action, suit
 25 or proceeding, in any way arising out of or in any way connected with the
 26 Policy, the proceeds payable under the Policy, this interpleader action,
 27 and/or the facts set forth herein.

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1 14. The Parties to this action hereby further agree to execute any
2 additional or further documents to demonstrate that this Stipulation was entered into
3 in good faith, and, if necessary, to further assist USIC in obtaining its attorneys'
4 fees from the interplead funds as set forth herein.

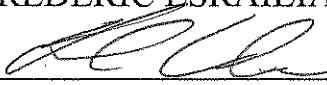
5 15. The Parties hereby agree that this Stipulation may be executed in
6 counterparts by each of the parties hereto.

7

8 Dated: February 6, 2007

9 MESERVE, MUMPER & HUGHES LLP
BRIAN K. MAZEN
FREDERIC ESRAILIAN

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By: 

11 Frederic Esrailian
12 Attorneys for Plaintiff
13 UNION SECURITY INSURANCE
14 COMPANY

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Dated: February __, 2007

17 FERRARI & OTTOBANI LLP
18 DON McNEIL
19 LAURA LICCARDO

20

21

By: _____

22 DON McNEIL
23 Attorneys for Defendants
24 DAWN PETITCLERC, and TARA
25 PETITCLERC

26

27

Dated: February __, 2007

28 KELLY JACKSON & CHRISTIANSON
29 LLP
30 CLAY CHRISTIANSON

31

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By: _____

33 Clay Christianson
34 Attorneys for Defendant
35 DEBRA CLASEN

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1 or proceeding, in any way arising out of or in any way connected with the
2 Policy, the proceeds payable under the Policy, this interpleader action,
3 and/or the facts set forth herein.

4 14. The Parties to this action hereby further agree to execute any
5 additional or further documents to demonstrate that this Stipulation was entered into
6 in good faith, and, if necessary, to further assist USIC in obtaining its attorneys'
7 fees from the interplead funds as set forth herein.

8 15. The Parties hereby agree that this Stipulation may be executed in
9 counterparts by each of the parties hereto.

10 Dated: February __, 2007

11 MESERVE, MUMPER & HUGHES LLP
12 BRIAN K. MAZEN
13 FREDERIC ESRAILIAN

14 By: Frederic Esrailian
15 Attorneys for Plaintiff
16 UNION SECURITY INSURANCE
17 COMPANY

18 Dated: February __, 2007

19 FERRARI & OTTOBANI LLP
20 DON McNEIL
21 LAURA LICCARDO

22 By: DON McNEIL
23 Attorneys for Defendants
24 DAWN PETITCLERC, and TARA
25 PETITCLERC

26 Dated: February 6, 2007

27 KELLY JACKSON & CHRISTIANSON
28 LLP
CLAY CHRISTIANSON

29 By: Clay Christianson
30 Attorneys for Defendant
31 DEBRA CLASEN

ORDER

2 | Based upon the foregoing Stipulation of the parties, and good cause appearing:

3 IT IS HEREBY ORDERED that the Complaint in Interpleader was properly
4 brought by UNION SECURITY INSURANCE COMPANY (hereinafter referred to
5 as "USIC"), formerly known as FORTIS BENEFITS INSURANCE COMPANY,
6 and the sum specified in this Stipulation, previously deposited with the Clerk of this
7 Court, represents the proceeds and interest payable under the Policy as a result of
8 the death of Darwin Petitclerc.

9 IT IS FURTHER ORDERED that USIC shall be immediately reimbursed
10 from the funds interplead and deposited with this Court in the amount of \$4,500.00
11 for attorneys' fees incurred by USIC in this action, and that the Clerk of this Court
12 shall promptly remit to counsel for USIC, Meserve, Mumper & Hughes LLP, one
13 (1) check draft made payable to "Union Security Insurance Company" in the amount
14 of \$4,500.00.

15 IT IS FURTHER ORDERED that USIC and its owners, shareholders,
16 partners, officers, directors, employees, agents, general agents, legal representatives,
17 predecessors, successors, assignees, parent corporations, subsidiaries, affiliates,
18 attorneys, re-insurers, and insurers are released and discharged from any and all
19 further liability to each of the Defendants in this action, and any other persons or
20 entities whether claiming by, through, or under any said individuals, in any way
21 arising out of or in any way connected with the Policy, the proceeds payable under
22 the Policy, this interpleader action, and the facts set forth herein.

23 16. IT IS FURTHER ORDERED that each and every Defendant is
24 enjoined and restrained from instituting, prosecuting or taking any further steps,
25 actions or proceedings against USIC and/or its owners, shareholders, partners,
26 officers, directors, employees, agents, general agents, legal representatives,
27 predecessors, successors, assignees, parent corporations, subsidiaries, affiliates,
28 attorneys, re-insurers, and insurers in any action, suit or proceeding, in any way

1 arising out of or in any way connected with the Policy, the proceeds payable under
2 the Policy, this interpleader action, and/or the facts set forth therein. USIC will still
3 be bound to comply with any validly served, enforceable subpoena, independent of
4 this Order.

5 IT IS FURTHER ORDERED that USIC shall be dismissed with prejudice
6 from this action and that the action shall proceed between the Defendants as to their
7 respective entitlements to the proceeds on deposit with this Court.

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9 Dated: February 23, 2007

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11 HON. JAMES WARE
12 UNITED STATES DISTRICT COURT
13 JUDGE
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